

EXHIBIT 25

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1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE DISTRICT OF PUERTO RICO

3

4

5 In Re:)

6 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD) PROMESA TITLE III

7 FOR PUERTO RICO) Case No.

8 as representative of) 17-BK-03283 (LTS)

9 THE COMMONWEALTH OF PUERTO RICO, et. al,)

10 Debtors.)

11)

12 In Re:)

13 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD) PROMESA Title III

14 FOR PUERTO RICO) Case No.

15 as representative of) 17-BK-03566 (LTS)

16 THE EMPLOYEES RETIREMENT SYSTEM OF THE)

17 GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO,)

18 Debtor.)

19)

20

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22 Transcript of Luke Corning

23

24 Reported by:

25 LORRAINE B. ABATE, CSR, RPR

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2 MS. PEREZ: Objection. That calls --
3 withdraw the objection.

4 A. That would have been probably early
5 2018.

6 Q. And to this run off, give them a chance
7 to think about what they want to do with this
8 question.

9 Does Jones Day represent -- in early
10 2018, did Jones Day represent Pentwater in matters
11 not related to Puerto Rico?

12 MR. PAPEZ: You can answer that yes or
13 no.

14 A. Yes. Well, I would I have to think
15 about -- I want to be careful with that question.

16 They had recently represented us in a
17 number of matters. And I'm trying to remember -- I
18 can't remember where engagements have fallen off and
19 begun, and I don't want to answer incorrectly, but I
20 had a series of ongoing engagements with Jones Day.

21 Q. Yeah. So prior to deciding to go
22 purchase ERS bonds, Jones Day was at least one of
23 your counsel previous to that point in time?

24 A. Correct. I just can't remember
25 specifically where that has started and stopped and

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2 buy and sell bonds, and it's the common place to
3 purchase a bond is through a bank, a trading bank, a
4 broker-dealer.

5 Q. And as far as you know, all of the
6 interest in ERS bonds the Pentwater Funds purchased,
7 were purchased through that system on the open market
8 as you describe it?

9 A. Correct.

10 Q. And Pentwater, did they -- do they focus
11 on distressed debt situations as like a management
12 investment strategy?

13 A. As a component of the investment focus.

14 Q. How big of a component? I get there's
15 some ballparking that goes on in that.

16 A. I could say a quarter.

17 Q. And what other types of components do
18 the Pentwater funds focus on?

19 A. A variety of equity-focused strategies.

20 Q. A quarter. And is that true -- you said
21 about a quarter. Is that true for all of the
22 Pentwater funds that we're talking about today?

23 A. That can be a nuance to answer, but I
24 would say it's generally the case.

25 Q. And of the Pentwater funds -- again, we

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2 MR. PAPEZ: Thank you. I appreciate
3 that.

4 A. It's more sensitive for a variety of
5 reasons.

6 Q. Can you tell me, ballpark, how large the
7 position is?

8 A. In market value?

9 Q. Yeah.

10 A. It's less than \$10 million.

11 Q. Now, I'll try to be careful because
12 again, this may be a situation where pause for a
13 second, let counsel have time to think about it if
14 they want to object.

15 When did the Pentwater funds become a
16 part of the ERS bondholder group represented by Jones
17 Day?

18 MR. PAPEZ: You can testify to the date
19 if you know it.

20 A. I don't know the date. I think it's --
21 I think it's very easy to say at some point there was
22 a 2019 filing that we would have appeared on.

23 It wouldn't have been -- it would have
24 been somewhere between that and the date of the
25 purchase of the bonds, which I think isn't that long

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2 of a range. It may have been end of 2018, something
3 approximate to that.

4 MR. RAIFORD: I'm going to have the
5 court reporter mark as Exhibit 3, I believe, an
6 e-mail that has almost no information.

7 (Corning Exhibit 3, E-mail dated August
8 21, 2018, marked for identification, as of this
9 date.)

10 Q. You can look at it, but literally
11 everything is redacted for privilege. But the reason
12 I'm handing it to you is do you see in the from line,
13 from Ben Rosenblum at Jones Day?

14 A. Yes.

15 Q. And then it's to you, correct?

16 A. Correct.

17 Q. With the very informative subject ERS?

18 A. Correct.

19 Q. And that was sent on Tuesday,
20 August 21st, 2018, correct?

21 A. Correct.

22 Q. Based on that information, were you --
23 were the Pentwater funds a member of the ERS
24 bondholder group no later than August 21st, 2018?

25 A. No.

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2 A. 10 years ago or something.

3 Q. Since you started -- I apologize. Since
4 you started in 2014, this answer would not change?

5 A. To the best of my recollection.

6 Q. And my colleague is very intrigued about
7 what is 1 percent of the market value of the
8 Pentwater portfolio?

9 MS. PEREZ: Objection, outside the
10 scope.

11 A. I don't -- I don't know exactly how to
12 answer.

13 Q. Well, what's the -- how much in book
14 value assets does Pentwater currently hold?

15 MS. PEREZ: Objection, outside the
16 scope.

17 A. It's changed over time. I would say
18 four to \$5 billion managed over this time period.

19 Q. When Pentwater first purchased an ERS
20 bond, did it look -- so again, we will exclude any
21 communications with counsel, so not including
22 communications with counsel -- did it look into
23 whether -- did it conduct its own analysis into
24 whether ERS had the authority or the ability to issue
25 the ERS bonds?

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2 A. I think it's fair to say that I read
3 certain documents.

4 Q. What documents did you read?

5 A. The primary ones I remember reading were
6 the bond resolution and the stipulation that the
7 Commonwealth entered into with certain bondholders in
8 connection with some proceeding.

9 Q. And that would have been within the ERS
10 Title III case when you say proceeding?

11 A. I'm not sure exactly what the proceeding
12 was. It was a stipulation that was entered into.

13 Q. And this would have been likely sometime
14 in August of 2018, correct?

15 MS. PEREZ: Objection, vague. Are you
16 asking him when the stipulation was entered into
17 or when he read the documents?

18 Q. When you read the documents.

19 A. Sometime -- sometime prior to purchasing
20 them, the bonds.

21 Q. So in addition to the offering statement
22 and the stipulation, did you review any other
23 documents?

24 MS. PEREZ: Objection, misstates his
25 prior testimony.

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2 A. So should I just try to explain?

3 So the -- and this is my mistake. I
4 didn't understand the -- there's enough. It says
5 official statement, I believe is the term used. I
6 understood that to be the bond resolution.

7 Q. I think I misspoke.

8 So in addition to the bond resolution
9 and the stipulation, were there any other documents
10 that you reviewed?

11 A. Possibly. Those were the two that I
12 focused on.

13 Q. And in terms of the bond resolution --
14 again, this is just what Pentwater did on its own --
15 what, if anything, did that document say that helped
16 inform your opinion as to whether ERS had the
17 authority to issue ERS bonds?

18 A. There are some recitals and so forth in
19 the bond resolution about the authorization to issue
20 the bonds. I don't remember focusing on that at the
21 time.

22 Currently, obviously, it's all these
23 pieces of paper being put in front of me, it's
24 something that I've thought about more in the last
25 two weeks. But originally -- originally, to me, it

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2 A. Yes.

3 Q. And do you know when was the first time
4 you reviewed at least some portion of the ERS
5 enabling act?

6 A. Again, the whole focus of what I read
7 was around the lien question. It may have been -- it
8 may have been what was attached. It probably was
9 what was attached to the pleadings around the lien
10 perfection question.

11 Q. And do you have a sense of when that
12 would have been?

13 A. Sometime around late 2018.

14 The whole focus was did the name change.
15 That was my focus.

16 Q. And the lien perfection --

17 A. Correct.

18 Q. -- dispute?

19 A. Correct.

20 Q. You -- so you're saying -- well, have
21 you ever looked at the ERS enabling act -- again,
22 independently, just Pentwater, based on -- in order
23 to review the resolution of the dispute over whether
24 it authorized the issuance of ERS bonds?

25 A. Have I ever looked at the language of